

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently amended) A method of encoding data, comprising the acts of:

recoverably embedding supplemental data by inserting the supplemental data into ~~the~~ encoded data using at least one parameter which is altered in order to embed the supplemental data;

deriving the at least one parameter from the data prior to encoding; and

encoding the data, the recoverably embedded supplemental data, and the altered at least one parameter, wherein the data is encoded using an algorithm that is determined by the altered at least one parameter.

2. (original) A method of extracting supplemental data of encoded data as defined in Claim 1.

3. (Previously presented) A method of encoding input data, comprising the acts of:

partitioning the data into frames;

determining a set of parameters for each frame;

reducing the data rate of the input signal by applying an algorithm determined by an affected parameter set whereby encoded data includes one of the set of parameters and at least data which can be used to derive the set of parameters, the data rate-reduced signal, and recoverably embedded supplemental data, wherein the set of parameters is affected by the supplemental data..

4. (original) A method of extracting information which is embedded in the parameter set of an encoded signal as defined in Claim 3.

5-13. (cancelled)

14. (Previously presented) An arrangement for performing the method of Claim 1.

15. (Previously presented) An arrangement for performing the method of Claim 2.

16. (Previously presented) An arrangement for performing the method of Claim 3.

17. (Previously presented) An arrangement for performing the method of Claim 4.

18. (Previously presented) A playback device with an arrangement as defined in Claim 2.

19. (Previously presented) A playback device with an arrangement as defined in Claim 4.

20. (Previously presented) A playback device with an arrangement as defined in Claim 1.

21. (Previously presented) The playback device of Claim 14, including a disc player for audio and audio-visual media,

respectively.

22. (Previously presented) The playback device of Claim 15, including a Disc player for audio and audio-visual media.

23. (Previously presented) The playback device of Claim 16, including a Disc player for audio and audio-visual media.

24. (Previously presented) The playback device of Claim 17, including a Disc player for audio and audio-visual media.

25. (Previously presented) A method of encoding supplemental data of encoded data as defined in Claim 1, wherein lossless encoding is used to encode the supplemental data.

26. (Previously presented): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the supplemental data is encoded bit by bit.

27. (Previously presented) A method of encoding supplemental

data of encoded data as defined in Claim 1, wherein before the embedding, partitioning of the data into frames and determining a set of parameters for each frame, wherein the set of parameters can be altered to embed the supplemental data

28. (Previously presented) A method of encoding supplemental data of encoded data as defined in Claim 27, wherein encoded data is used to derive the set of parameters.

29. (Previously presented) A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the parameters is altered to a dedicated value in response to the supplemental data to be embedded.

30. (Previously presented) A method of encoding data, comprising the acts of:

analyzing data to determine a parameter;  
altering the parameter utilizing supplemental data; and  
encoding the data, the supplemental data and the altered parameter to derive the encoded data, wherein the encoded data is

encoded by an algorithm determined by the altered parameter, and  
wherein the supplemental data is recoverable from the encoded data.